

## SUBCHAPTER H—CLAUSES AND FORMS

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- 1652.249-72 FEHBP termination for default—negotiated benefits contracts.

#### Subpart 1652.3—FEHBP Clause Matrix

1652.370 Use of the matrix.

AUTHORITY: 5 U.S.C. 8913; 40 U.S.C. 486(c); 48 CFR 1.301.

SOURCE: 52 FR 16044, May 1, 1987, unless otherwise noted.

#### 1652.000 Applicable clauses.

The clauses of FAR subpart 52.2 shall be applicable to FEHBP contracts as specified in the FEHBP Clause Matrix in subpart 1652.3.

#### Section and Clause Title

- 52.202-1 Definitions.
- 52.203-3 Gratuities.
- 52.203-5 Covenant Against Contingent Fees.
- 52.203-7 Anti-Kickback Procedures.
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions.
- 52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment.
- 52.215-2 Audit and Records—Negotiation.
- 52.215-22 Price Reduction for Defective Cost or Pricing Data.
- 52.215-24 Subcontractor Cost or Pricing Data.
- 52.215-27 Termination of Defined Benefit Pension Plans.
- 52.215-30 Facilities Capital Cost of Money.
- 52.215-31 Waiver of Facilities Capital Cost of Money.
- 52.215-39 Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB).
- 52.219-8 Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns.
- 52.222-1 Notice to the Government of Labor Disputes.
- 52.222-3 Convict Labor.
- 52.222-4 Contract Work Hours and Safety Standards Act—Overtime Compensation—General.
- 52.222-21 Certification of Nonsegregated Facilities.
- 52.222-26 Equal Opportunity.
- 52.222-28 Equal Opportunity Preaward Clearance of Subcontracts.
- 52.222-29 Notification of Visa Denial.
- 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans.
- 52.222-36 Affirmative Action for Handicapped Workers.
- 52.222-37 Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era.
- 52.223-2 Clean Air and Water.
- 52.223-6 Drug-Free Workplace.
- 52.227-1 Authorization and Consent.
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement.
- 52.229-3 Federal, State, and Local Taxes.
- 52.229-4 Federal, State, and Local Taxes (Noncompetitive Contract).
- 52.229-5 Taxes—Contracts Performed in U.S. Possessions or Puerto Rico.
- 52.230-2 Cost Accounting Standards.
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices.
- 52.230-5 Administration of Cost Accounting Standards.
- 52.232-8 Discounts for Prompt Payment.
- 52.232-17 Interest.

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- 52.232-23 Assignment of Claims.
- 52.232-33 Mandatory Information For Electronic Funds Transfer Payment.
- 52.233-1 Disputes.
- 52.242-1 Notice of Intent to Disallow Costs.
- 52.242-3 Penalties for Unallowable Costs.
- 52.242-13 Bankruptcy.
- 52.244-5 Competition in Subcontracting.
- 52.244-6 Subcontracts for Commercial Items and Commercial Components.
- 52.246-25 Limitation of Liability—Services.
- 52.247-63 Preference for U.S.-Flag Air Carriers.
- 52.251-1 Government Supply Sources.
- 52.232-2 Clauses Incorporated by Reference.
- 52.252-4 Alterations in Contract.
- 52.252-6 Authorized Deviations in Clauses.

[62 FR 47576, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47576, Sept. 10, 1997, section 1652.000 was revised, effective Oct. 10, 1997. For the convenience of the user, the superseded text is set forth as follows:

### 1652.000 Applicable clauses.

The clauses of subpart 52.2 specified below shall be applicable to FEHBP acquisitions.

#### SECTION AND CLAUSE TITLE

- 52.202-1 Definitions (Apr. 1984).
- 52.203-1 Officials not to Benefit (Apr. 1984).
- 52.203-3 Gratuities (Apr. 1984).
- 52.203-5 Covenant Against Contingent Fees (Apr. 1984).
- 52.203-7 Anti-Kickback Procedures.
- 52.203-9 Requirement for Certificate of Procurement Integrity—Modification.
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions.
- 52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment.
- 52.215-1 Examination of Records by Comptroller General (Apr. 1984).
- 52.215-2 Audit—Negotiation (Jan. 1987).
- 52.215-22 Price Reduction for Defective Cost or Pricing Data (Apr. 1984).
- 52.215-23 Price Reduction for Defective Cost or Pricing Data—Modifications (Apr. 1985).
- 52.215-24 Subcontractor Cost or Pricing Data (Apr. 1985).
- 52.215-25 Subcontractor Cost or Pricing Data—Modifications (Apr. 1985).
- 52.215-30 Facilities Capital Cost of Money (Apr. 1984).
- 52.215-31 Waiver of Facilities Capital Cost of Money (Apr. 1984).
- 52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (June 1985).
- 52.219-13 Utilization of Women-Owned Small Businesses (Aug. 1986).

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- 52.220-3 Utilization of Labor Surplus Area Concerns (Apr. 1984).
- 52.222-3 Convict Labor (Apr. 1984).
- 52.222-4 Contract Work Hours and Safety Standards Act—Overtime Compensation—General (Mar. 1986).
- 52.222-26 Equal Opportunity (Apr. 1984).
- 52.222-28 Equal Opportunity Preaward Clearance of Subcontracts (Apr. 1984).
- 52.222-29 Notification of Visa Denial (Apr. 1984).
- 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (Apr. 1984).
- 52.222-36 Affirmative Action for Handicapped Workers (Apr. 1984).
- 52.223-2 Clean Air and Water (Apr. 1984).
- 52.223-6 Drug-Free Workplace.
- 52.229-3 Federal, State, and Local Taxes (Apr. 1984).
- 52.229-4 Federal, State, and Local Taxes (Noncompetitive Contract) (Apr. 1984).
- 52.229-5 Taxes—Contracts Performed in U.S. Possessions or Puerto Rico (Apr. 1984).
- 52.229-6 Taxes—Foreign Fixed-Price Contracts (Apr. 1984).
- 52.230-2 Cost Accounting Standards.
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices.
- 52.230-5 Administration of Cost Accounting Standards.
- 52.230-6 Consistency in Cost Accounting Practices (Apr. 1984).
- 52.232-1; 1632.111 Payments (Jan. 1987).
- 52.232-8 Discounts for Prompt Payment (July 1985).
- 52.232-11 Extras (Apr. 1984).
- 52.232-17; 1632.617 Interest (Jan. 1987).
- 52.232-23 Assignment of Claims (Jan. 1986).
- 52.232-24 Prohibition of Assignment of Claims (Jan. 1986).
- 52.233-1 Disputes (Apr. 1984).
- 52.242-1 Notice of Intent to Disallow Costs (Apr. 1984).
- 52.242-13 Bankruptcy.
- 52.243-1 Changes—Fixed Price—Alternate I (Apr. 1984).
- 52.244-5 Competition in Subcontracting (Apr. 1984).
- 52.245-2 Government Property (Fixed-Price Contracts) (Apr. 1984).
- 52.246-25 Limitation of Liability—Services (Apr. 1984).
- 52.247-63 Preference for U.S.-Flag Air Carriers (Apr. 1984).
- 52.249-2 Termination for Convenience of the Government (Fixed-Price).
- 52.249-8 Default (Fixed-Price Supply and Service).
- 52.251-1 Government Supply Sources (Apr. 1984).
- 52.252-2 Clauses Incorporated by Reference (Apr. 1984).
- 52.252-4 Alterations in Contract (Apr. 1984).
- 52.252-6 Authorized Deviations in Clauses (Apr. 1984).

## Office of Personnel Management

1652.204-70

[52 FR 16044, May 1, 1987, as amended at 59 FR 14767, Mar. 30, 1994]

### Subpart 1652.2—Texts of FEHBP Clauses

#### **1652.203-70 Misleading, deceptive, or unfair advertising.**

As prescribed in 1603.7003, the following clause shall be inserted in all FEHBP contracts:

##### MISLEADING, DECEPTIVE, OR UNFAIR ADVERTISING (JAN 1991)

(a) The Carrier agrees that any advertising material, including that labeled promotional material, marketing material, or supplemental literature, shall be truthful and not misleading.

(b) Criteria to assess compliance with paragraph (a) of this clause are available in the FEHB Supplemental Literature Guidelines which are developed by OPM and should be used, along with the additional guidelines set forth in FEHBAR 1603.702, as the primary guide in preparing material; further guidance is provided in the NAIC "Rules Governing Advertising of Accident and Sickness Insurance With Interpretive Guidelines." Guidelines are periodically updated and provided to the Carrier by OPM.

(c) Failure to conform to paragraph (a) of this clause may result in a reduction in the service charge, if appropriate, and corrective action to protect the interest of Federal Members. Corrective action will be appropriate to the circumstances and may include, but is not limited to the following actions by OPM:

(1) Directing the Carrier to cease and desist distribution, publication, or broadcast of the material;

(2) Directing the Carrier to issue corrections at the Carrier's expense and in the same manner and media as the original material was made; and

(3) Directing the Carrier to provide, at the Carrier's expense, the correction in writing by certified mail to all enrollees of the Plan(s) that had been the subject of the original material.

(d) Egregious or repeated offenses may result in the following action by OPM:

(1) Suspending new enrollments in the Carrier's Plan(s);

(2) Providing Enrollees an opportunity to transfer to another plan; and

(3) Terminating the contract in accordance with Section 1.15, Renewal and Withdrawal of Approval.

(e) Prior to taking action as described in paragraphs (c) and (d) of this clause, the OPM will notify the Carrier and offer an opportunity to respond.

(f) The Carrier shall incorporate this clause in subcontracts with its underwriter, if any, and other subcontractors directly involved in the preparation or distribution of such advertising material and shall substitute "Contractor" or other appropriate reference for the term "Carrier."

(End of Clause)

[55 FR 27415, July 2, 1990, as amended at 62 FR 47576, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47576, Sept. 10, 1997, section 1652.203-70 was amended by removing the reference '1603.703' and adding in its place the reference '1603.7003', effective Oct. 10, 1997

#### **1652.204-70 Contractor records retention.**

As prescribed in 1604.705, the following clause shall be inserted in all FEHBP contracts.

##### Contractor Records Retention (Jan 1998)

Notwithstanding the provisions of section 5.7 (FAR 52.215-2(f)) "Audit and Records-Negotiation," the Carrier shall retain and make available all records applicable to a contract term that support the annual statement of operations and, for contracts that exceed the threshold at FAR 15.804-2(a)(1), the rate submission for that contract term for a period of 5 years after the end of the contract term to which the records relate, except that enrollee and/or patient claim records shall be maintained for 3 years after the end of the contract term to which the claim records relate.

(End of Clause)

[62 FR 47576, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47576, Sept. 10, 1997, section 1652.204-70 was revised, effective Oct. 10, 1997. For the convenience of the user, the superseded text is set forth as follows:

#### **1652.204-70 Contractor records retention.**

As prescribed in 1604.705, the following clause shall be inserted in all FEHBP contracts.

##### Contractor Records Retention (Jan 1991)

Notwithstanding the provisions of section 5.7 (FAR 52.215-2(d)) "Audit-Negotiation" and the SF 1412, the Carrier will retain and make available all records applicable to a contract term that support the annual statement of operations and the rate submission for that contract term for a period of 5 years after the end of the contract term to which the records relate, except that individual enrollee and/or patient claim records shall be

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maintained for 3 years after the end of the contract term to which the claim records relate.

(End of Clause)

[52 FR 16044, May 1, 1987, as amended at 55 FR 27415, July 2, 1990]

**1652.204-71 Coordination of Benefits.**

As prescribed in 1604.7001, the following clause shall be inserted in all FEHBP contracts:

**COORDINATION OF BENEFITS (JAN 1991)**

(a) The Carrier shall coordinate the payment of benefits under this contract with the payment of benefits under Medicare, other group health benefits coverages, and the payment of medical and hospital costs under no-fault or other automobile insurance that pays benefits without regard to fault.

(b) The Carrier shall not pay benefits under this contract until it has determined whether it is the primary carrier or unless permitted to do so by the Contracting Officer.

(c) In coordinating benefits between plans, the Carrier shall follow the order of precedence established by the NAIC Model Guidelines for Coordination of Benefits (COB) as specified by OPM.

(d) Where (1) the Carrier makes payments under this contract which are subject to COB provisions; (2) the payments are erroneous, not in accordance with the terms of the contract, or in excess of the limitations applicable under this contract; and (3) the Carrier is unable to recover such COB overpayments from the Member or the providers of services or supplies, the Contracting Officer may allow such amounts to be charged to the contract; the Carrier must be prepared to demonstrate that it has made a diligent effort to recover such COB overpayments.

(e) COB savings shall be reported by experience rated carriers each year along with the Carrier's annual accounting statement in a form specified by OPM.

(f) Changes in the order of precedence established by the NAIC Model Guidelines implemented after January 1 of any given year shall be required no earlier than the beginning of the following contract term.

(End of Clause)

[55 FR 27415, July 2, 1990]

**§ 1652.204-72 Filing health benefit claims/court review of disputed claims.**

As prescribed in 1604.7101 of this chapter, the following clause must be inserted in all FEHB Program contracts.

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**FILING HEALTH BENEFIT CLAIMS/COURT REVIEW OF DISPUTED CLAIMS (MAR 1995)**

(a) *General.* (1) The Carrier resolves claims filed under the Plan. All health benefit claims must be submitted initially to the Carrier. If the Carrier denies a claim (or a portion of a claim), the covered individual may ask the Carrier to reconsider its denial. If the Carrier affirms its denial or fails to respond as required by paragraph (b) of this clause, the covered individual may ask OPM to review the claim. A covered individual must exhaust both the Carrier and OPM review processes specified in this clause before seeking judicial review of the denied claim.

(2) This clause applies to covered individuals and to other individuals or entities who are acting on the behalf of a covered individual and who have the covered individual's specific written consent to pursue payment of the disputed claim.

(b) Time limits for reconsidering a claim. (1) The covered individual has 6 months from the date of the notice to the covered individual that a claim (or a portion of a claim) was denied by the Carrier in which to submit a written request for reconsideration to the Carrier. The time limit for requesting reconsideration may be extended when the covered individual shows that he or she was prevented by circumstances beyond his or her control from making the request within the time limit.

(2) The Carrier has 30 days after the date of receipt of a timely-filed request for reconsideration to:

(i) Affirm the denial in writing to the covered individual;

(ii) Pay the bill or provide the service; or

(iii) Request from the covered individual or provider additional information needed to make a decision on the claim. The Carrier must simultaneously notify the covered individual of the information requested if it requests additional information from a provider. The Carrier has 30 days after the date the information is received to affirm the denial in writing to the covered individual or pay the bill or provide the service. The Carrier must make its decision based on the evidence it has if the covered individual or provider does not respond within 60 days after the date of the Carrier's notice requesting additional information. The Carrier must then send written notice to the covered individual of its decision on the claim. The covered individual may request OPM review as provided in paragraph (b)(3) of this clause if the Carrier fails to act within the time limit set forth in this paragraph.

(3) The covered individual may write to OPM and request that OPM review the Carrier's decision if the Carrier either affirms its denial of a claim or fails to respond to a covered individual's written request for reconsideration within the time limit set forth

in paragraph (b)(2) of this clause. The covered individual must submit the request for OPM review within the time limit specified in paragraph (e)(1) of this clause.

(4) The Carrier may extend the time limit for a covered individual's submission of additional information to the Carrier when the covered individual shows he or she was not notified of the time limit or was prevented by circumstances beyond his or her control from submitting the additional information.

(c) *Information required to process requests for reconsideration.* (1) The covered individual must put the request to the Carrier to reconsider a claim in writing and give the reasons, in terms of applicable brochure provisions, that the denied claim should have been approved.

(2) If the Carrier needs additional information from the covered individual to make a decision, it must:

(i) Specifically identify the information needed;

(ii) State the reason the information is required to make a decision on the claim;

(iii) Specify the time limit (60 days after the date of the Carrier's request) for submitting the information; and

(iv) State the consequences of failure to respond within the time limit specified, as set out in paragraph (b)(2) of this section.

(d) *Carrier determinations.* The Carrier must provide written notice to the covered individual of its determination. If the Carrier affirms the initial denial, the notice must inform the covered individual of:

(1) The specific and detailed reasons for the denial;

(2) The covered individual's right to request a review by OPM; and

(3) The requirement that requests for OPM review must be received within 90 days after the date of the Carrier's denial notice and include a copy of the denial notice as well as documents to support the covered individual's position.

(e) *OPM review.* (1) If the covered individual seeks further review of the denied claim, the covered individual must make a request to OPM to review the Carrier's decision. Such a request to OPM must be made:

(i) Within 90 days after the date of the Carrier's notice to the covered individual that the denial was affirmed; or

(ii) If the Carrier fails to respond to the covered individual as provided in paragraph (b)(2) of this clause, within 120 days after the date of the covered individual's timely request for reconsideration by the Carrier; or

(iii) Within 120 days after the date the Carrier requests additional information from the covered individual, or the date the covered individual is notified that the Carrier is requesting additional information from a provider. OPM may extend the time limit for a covered individual's request for OPM review when the covered individual shows he

or she was not notified of the time limit or was prevented by circumstances beyond his or her control from submitting the request for OPM review within the time limit.

(2) In reviewing a claim denied by the Carrier, OPM may:

(i) Request that the covered individual submit additional information;

(ii) Obtain an advisory opinion from an independent physician;

(iii) Obtain any other information as may in its judgment be required to make a determination; or

(iv) Make its decision based solely on the information the covered individual provided with his or her request for review.

(3) When OPM requests information from the Carrier, the Carrier must release the information within 30 days after the date of OPM's written request unless a different time limit is specified by OPM in its request.

(4) Within 90 days after receipt of the request for review, OPM will either:

(i) Give a written notice of its decision to the covered individual and the Carrier; or

(ii) Notify the individual of the status of the review. If OPM does not receive requested evidence within 15 days after expiration of the applicable time limit in paragraph (e)(3) of this clause, OPM may make its decision based solely on information available to it at that time and give a written notice of its decision to the covered individual and to the Carrier.

(f) OPM, upon its own motion, may reopen its review if it receives evidence that was unavailable at the time of its original decision.

(g) *Court review.* (1) A suit to compel enrollment under §890.102 of Title 5, Code of Federal Regulations, must be brought against the employing office that made the enrollment decision.

(2) A suit to review the legality of OPM's regulations under this part must be brought against the Office of Personnel Management.

(3) Federal Employees Health Benefits (FEHB) carriers resolve FEHB claims under authority of Federal statute (chapter 89, title 5, United States Code). A covered individual may seek judicial review of OPM's final action on the denial of a health benefits claim. A legal action to review final action by OPM involving such denial of health benefits must be brought against OPM and not against the Carrier or the Carrier's subcontractors. The recovery in such a suit shall be limited to a court order directing OPM to require the Carrier to pay the amount of benefits in dispute.

(4) An action under paragraph (3) of this clause to recover on a claim for health benefits:

(i) May not be brought prior to exhaustion of the administrative remedies provided in paragraphs (a) through (f) of this clause;

(ii) May not be brought later than December 31 of the 3rd year after the year in which the care or service was provided; and

(iii) Will be limited to the record that was before OPM when it rendered its decision affirming the Carrier's denial of benefits.

(End of Clause)

[61 FR 15198, Apr. 5, 1996, as amended at 62 FR 47576, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47576, Sept. 10, 1997, section 1652.204-72 was amended by adding a date in the clause title, effective Oct. 10, 1997

**1652.215-70 Rate Reduction for Defective Pricing or Defective Cost or Pricing Data.**

As prescribed in 1615.804-72, the following clause shall be inserted in FEHBP contracts exceeding the threshold at FAR 15.804-2(a)(1) that are based on a combination of cost and price analysis (community rated):

**RATE REDUCTION FOR DEFECTIVE PRICING OR DEFECTIVE COST OR PRICING DATA (JAN 1998)**

(a) If any rate established in connection with this contract was increased because (1) the Carrier submitted, or kept in its files in support of the FEHBP rate, cost or pricing data that were not complete, accurate, or current as certified in the Certificate of Accurate Cost or Pricing Data (FEHBP 1615.804-70); (2) the Carrier submitted, or kept in its files in support of the FEHBP rate, cost or pricing data that were not accurate as represented in the rate proposal documents; (3) the Carrier developed FEHBP rates with a rating methodology and structure inconsistent with that used to develop rates for similarly sized subscriber groups (see FEHBP 1602.170-13) as certified in the Certificate of Accurate Cost or Pricing Data for Community Rated Carriers; or (4) the Carrier submitted or, or kept in its files in support of the FEHBP rate, data or information of any description that were not complete, accurate, and current—then, the rate shall be reduced in the amount by which the price was increased because of the defective data or information.

(b)(1) If the Contracting Officer determines under paragraph (a) of this clause that a price or cost reduction should be made, the Carrier agrees not to raise the following matters as a defense:

(i) The Carrier was a sole source supplier or otherwise was in a superior bargaining position and thus the price of the contract would not have been modified even if accurate, complete, and current cost or pricing data had been submitted or maintained and identified.

(ii) The Contracting Officer should have known that the cost or pricing data in issue were defective even though the Carrier took no affirmative action to bring the character of the data to the attention of the Contracting Officer.

(iii) The contract was based on an agreement about the total cost of the contract and there was no agreement about the cost of each item procured under the contract.

(iv) The Carrier did not submit or keep in its files a Certificate of Current Cost or Pricing Data.

(2)(i) Except as prohibited by subdivision (b)(2)(ii) of this clause, an offset in an amount determined appropriate by the Contracting Officer based upon the facts shall be allowed against the amount of a contract price reduction if—

(A) The Carrier certifies to the Contracting Officer that, to the best of the Carrier's knowledge and belief, the Carrier is entitled to the offset in the amount requested; and

(B) The Carrier proves that the cost or pricing data were available before the date of agreement on the price of the contract (or price of the modification) and that the data were not submitted before such date.

(ii) An offset shall not be allowed if—

(A) The understated data was known by the Carrier to be understated when the Certificate of Current Cost or Pricing Data was signed; or

(B) The Government proves that the facts demonstrate that the contract price would not have increased in the amount to be offset even if the available data had been submitted before the date of agreement on price.

(c) When the Contracting Officer determines that the rates shall be reduced and the Government is thereby entitled to a refund, the Carrier shall be liable to and shall pay the FEHB Fund at the time the overpayment is repaid—

(1) Simple interest on the amount of the overpayment from the date the overpayment was paid from the FEHB Fund to the Carrier until the date the overcharge is liquidated. In calculating the amount of interest due, the quarterly rate determinations by the Secretary of the Treasury under the authority of 26 U.S.C. 6621(a)(2) applicable to the periods the overcharge was retained by the Carrier shall be used; and,

(2) A penalty equal to the amount of overpayment, if the Carrier knowingly submitted cost or pricing data which was incomplete, inaccurate, or noncurrent.

(End of Clause)

[62 FR 47576, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47576, Sept. 10, 1997, section 1652.215-70 was revised, effective Oct. 10, 1997. For the convenience of the user, the superseded text is set forth as follows:

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1652.215-71

### **1652.215-70 Rate Reduction for Defective Pricing or Defective Cost or Pricing Data.**

As prescribed in 1615.804-72, the following clause shall be inserted in contracts based on established market price:

#### **RATE REDUCTION FOR DEFECTIVE PRICING OR DEFECTIVE COST OR PRICING DATA (OCT 1994)**

If any rate established in connection with this contract was increased because (1) the Carrier furnished cost or pricing data that were not complete, accurate, or current as certified in the Certificate of Accurate Pricing for Community Rated Plans (FEHBP 1615.804-70); (2) the Carrier furnished pricing data that were not accurate as represented on the Claim for Exemption from Submission of Certified Cost or Pricing Data (SF 1412); (3) the Carrier developed FEHBP rates with a rating methodology and structure inconsistent with that used to develop rates for similarly sized subscriber groups (see FEHBP 1602.170-11) as certified in the Certificate of Accurate Pricing for Community Rated Plans or represented in the Supplemental Representation for SF 1412; or (4) the Carrier furnished data or information of any description that were not complete, accurate, and current—then, the rate shall be reduced in the amount by which the price was increased because of the defective data or information. When the Contracting Officer determines that the Carrier did not charge a market price and the Government is entitled to a refund, the refund shall bear simple interest from the date the overcharge was paid by the Government to the Carrier until the date the overcharge is liquidated. In calculating the amount of interest due, the quarterly rate determinations by the Secretary of the Treasury under the authority of 26 U.S.C. 6621(a)(2) applicable to the periods the overcharge was retained by the Carrier shall be used.

(End of Clause)

[55 FR 27415, July 2, 1990, as amended at 59 FR 62346, Dec. 5, 1994]

### **1652.215-71 Investment Income.**

As prescribed in 1615.805-71, the following clause shall be inserted in all FEHBP contracts based on cost analysis:

#### **INVESTMENT INCOME (JAN 1998)**

(a) The Carrier shall invest and reinvest all FEHB funds on hand that are in excess of the funds needed to promptly discharge the obligations incurred under this contract. The Carrier shall seek to maximize investment income with prudent consideration to the safety and liquidity of investments.

(b) All investment income earned on FEHB funds shall be credited to the Special Reserve on behalf of the FEHBP.

(c) When the Contracting Officer concludes that the Carrier failed to comply with paragraph (a) or (b) of this clause, the Carrier shall credit the Special Reserve with investment income that would have been earned, at the rate(s) specified in paragraph (f) of this clause, had it not been for the Carrier's noncompliance. "Failed to comply with paragraph (a) or (b)" means: (1) Making any charges against the contract which are not allowable, allocable, or reasonable; or (2) failing to credit any income due the contract and/or failing to place excess funds, including subscription income and payments from OPM not needed to discharge promptly the obligations incurred under the contract, refunds, credits, payments, deposits, investment income earned, uncashed checks, or other amounts owed the Special Reserve, in income producing investments and accounts.

(d) Investment income lost as a result of unallowable, unallocable, or unreasonable charges against the contract shall be paid from the 1st day of the contract term following the contract term in which the unallowable charge was made and shall end on the earlier of: (1) The date the amounts are returned to the Special Reserve (or the Office of Personnel Management); (2) the date specified by the Contracting Officer; or, (3) the date of the Contracting Officer's Final Decision.

(e) Investment income lost as a result of failure to credit income due the contract or failure to place excess funds in income producing investments and accounts shall be paid from the date the funds should have been invested or appropriate income was not credited and shall end on the earlier of: (1) The date the amounts are returned to the Special Reserve (or the Office of Personnel Management); (2) the date specified by the Contracting Officer; or, (3) the date of the Contracting Officer's Final Decision.

(f) The Carrier shall credit the Special Reserve for income due in accordance with this clause. All lost investment income payable shall bear simple interest at the quarterly rate determined by the Secretary of the Treasury under the authority of 26 U.S.C. 6621(a)(2) applicable to the periods in which the amount becomes due, as provided in paragraphs (d) and (e) of this clause.

(g) The Carrier shall incorporate this clause into agreements with underwriters of the Carrier's FEHB plan and shall substitute "underwriter" or other appropriate reference for the term "Carrier."

(End of Clause)

[55 FR 27416, July 2, 1990, as amended at 62 FR 47577, Sept. 10, 1997]

## 1652.216-70

EFFECTIVE DATE NOTE: At 62 FR 47577, Sept. 10, 1997, section 1652.215-71 was amended by removing "(Jan 1991)" from the title Investment Income and adding in its place "(Jan 1998)" and by revising paragraph (f), effective Oct. 10, 1997. For the convenience of the user, the superseded text is set forth as follows:

### 1652.215-71 Investment Income.

\* \* \* \* \*

(f) The Carrier shall credit the Special Reserve for income due in accordance with this clause. All amounts payable shall bear lost investment income compounded semiannually at the rate established by the Secretary of the Treasury as provided in section 12 of the Contract Disputes Act of 1978 (Public Law 95-563), which is applicable to the period in which the amount becomes due, as provided in paragraphs (d) and (e) of this clause. Thereafter, the rate shall be the rate applicable for each 6-month period as fixed by the Secretary until the amount is paid.

\* \* \* \* \*

### 1652.216-70 Accounting and price adjustment.

As prescribed in section 1616.7001, the following clause shall be inserted in all FEHBP contracts based on a combination of cost and price analysis (community rated).

#### ACCOUNTING AND PRICE ADJUSTMENT (JAN 1998)

(a) *Annual Accounting Statement.* The Carrier, not later than 90 days after the end of each contract period, shall furnish to OPM for that contract period an accounting of its operations under the contract. The accounting shall be in the form prescribed by OPM.

(b) *Adjustment.* (1) This contract is community rated as defined in FEHBAR 1602.170-2.

(2) The subscription rates agreed to in this contract shall be equivalent to the subscription rates given to the carrier's similarly sized subscriber groups (SSSGs) as defined in FEHBAR 1602.170-13.

(3) If, at the time of the rate reconciliation, the subscription rates are found to be lower than the equivalent rates for the lower of the two SSSGs, the carrier may include an adjustment to the Federal group's rates for the next contract period.

(4) If, at the time of the rate reconciliation, the subscription rates are found to be higher than the equivalent rates for the lower of the two SSSGs, the Carrier shall reimburse the Fund, for example, by reducing the FEHB rates for the next contract term to reflect the difference between the estimated

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rates and the rates which are derived using the methodology of the lower rated SSSG.

(5) No upward adjustment in the rate established for this contract will be allowed or considered by the Government or will be made by the Carrier in this or in any other contract period on the basis of actual costs incurred, actual benefits provided, or actual size or composition of the FEHBP group during this contract period.

(6) In the event this contract is not renewed, neither the Government nor the Carrier shall be entitled to any adjustment or claim for the difference between the subscription rates prior to rate reconciliation and the actual subscription rates.

(End of Clause)

[62 FR 47577, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47577, Sept. 10, 1997, section 1652.216-70 was revised, effective Oct. 10, 1997. For the convenience of the user, the superseded text is set forth as follows:

### 1652.216-70 Accounting and price adjustment.

As prescribed in 1616.270, the following clause shall be inserted in all FEHBP contracts based on established market price:

#### ACCOUNTING AND PRICE ADJUSTMENT (JAN 1990)

(a) *Annual Accounting Statement.* The Carrier, not later than 90 days after the end of each contract period, shall furnish to OPM for that contract period an accounting of its operations under the contract. The accounting shall be in the form prescribed by OPM.

(b) *Adjustment.* (1) This contract is community rated as defined in FEHBAR §1602.170-2.

(2) The subscription rates agreed to in this contract are derived from the market price, which is a per member per month (PMPM) capitation or its equivalent that applies to a combination of subscriber groups. The market price established in this contract may be an estimate of the Carrier's actual market price that will be in effect during the contract period.

(3) If, for the contract period, the Carrier establishes an actual market price higher than the market price established for this contract and the higher market price is actually paid by the similarly sized subscriber groups (see FEHBAR 1602.170-11), the Carrier may include an adjustment to the next contract period's FEHBP rates to recover the difference between the estimated market price and the actual market price.

(4) If for the contract period, the Carrier establishes an actual market price lower than the market price established for this contract and the lower market price is actually paid by similarly sized subscriber



groups, the Carrier shall reimburse the Fund, for example, by reducing the next contract period's FEHB rates to reflect the difference between the estimated market price and the actual market price.

(5) No upward adjustment in the rate established for this contract will be allowed or considered by the Government or will be made by the Carrier in this or in any other contract period on the basis of actual costs incurred, actual benefits provided, or actual size or composition of the FEHBP group during this contract period.

(6) In the event this contract is not renewed, neither the Government nor the Carrier shall be entitled to any adjustment or claim for the difference between the estimated and the actual market price, PMPM capitation or revenue requirement.

(End of Clause)

[52 FR 16044, May 1, 1987, as amended at 55 FR 27416, July 2, 1990]

#### **1652.216-71 Accounting and Allowable Cost.**

As prescribed in section 1616.7002, the following clause shall be inserted in all FEHBP contracts based on cost analysis (experience rated).

##### **ACCOUNTING AND ALLOWABLE COST (JAN 1991)**

(a) *Annual Accounting Statement.* (1) The Carrier, not later than the date specified by the contract, shall furnish to OPM for that contract period an accounting of its operations under the contract. The accounting shall be in the form prescribed by OPM and shall include, among other things, a Balance Sheet and a Summary Statement of FEHBP Financial Operations. The Summary Statement of FEHBP Financial Operations shall include the following items for each option provided by the contract:

(i) Subscription income received and accrued (including amounts received from the Contingency Reserve);

(ii) Health benefits charges paid and accrued;

(iii) Administrative expenses and other charges paid and accrued;

(iv) Income on investments;

(v) Other adjustments;

(vi) Sum of items (i) minus (ii) minus (iii) plus (iv) plus or minus (v).

(2) The Carrier shall have its most recent financial statement and that of its underwriter, if any, audited by an accounting firm that ascribes to the standards of the American Institute of Certified Public Accountants. The report shall be submitted to OPM not later than 180 days after the end of the contract period.

(3) Based on the results of either the independent audit or a Government audit, the

Carrier's annual accounting statements may be (i) adjusted by amounts found not to constitute allowable costs; or (ii) adjusted for prior overpayments or underpayments.

(b) *Definition of costs.* (1) The allowable costs chargeable to the contract for a contract period shall be the actual, necessary and reasonable amounts incurred with proper justification and accounting support, determined in accordance with the terms of this contract, subpart 31.2 of the Federal Acquisition Regulation (FAR) and subpart 1631.2 of the Federal Employees Health Benefits Acquisition Regulation (FEHBAR) applicable on the first day of the contract period.

(2) In the absence of specific contract terms to the contrary, contract costs shall be classified in accordance with the following criteria:

(i) *Benefits.* Benefit costs consist of payments made and liabilities incurred for covered health care services on behalf of FEHBP subscribers, less any refunds, rebates, allowances or other credits received.

(ii) *Administrative expenses.* Administrative expenses consist of all allocable, allowable and reasonable expenses incurred in the adjudication of subscriber benefit claims or incurred in the Carrier's overall operation of the business. Unless otherwise stated in the contract, administrative expenses include, in part: all taxes (excluding premium taxes, as provided in section 1631.205-41), insurance and reinsurance premiums, medical and dental consultants used in the adjudication process, concurrent or managed care review when not billed by a health care provider and other forms of utilization review, the cost of maintaining eligibility files, legal expenses incurred in the litigation of benefit payments and bank charges for letters of credit. Administrative expenses exclude the cost of carrier personnel, equipment, and facilities directly used in the delivery of health care services, which are benefit costs, and the expense of managing the FEHBP investment program which is a reduction of investment income earned.

(iii) *Investment income.* The Carrier is required to invest and reinvest all funds on hand, including any in the Special Reserve or any attributable to the reserve for incurred but unpaid claims, which are in excess of the funds needed to discharge promptly the obligations incurred under the contract. Investment income represents the net amount earned by the Carrier after deducting investment expenses as a result of investing the FEHBP funds. The direct or allocable indirect expenses incurred in managing the investment program, such as consultant or management fees are chargeable against the investment income earned.

(iv) *Other charges—(A) Mandatory statutory reserves.* Charges for mandatory statutory reserves are not allowable unless specifically provided for in the contract. When the term

“mandatory statutory reserve” is specifically identified as an allowable contract charge without further definition or explanation, it means a requirement imposed by State law upon the Carrier to set aside a specific amount or rate of funds into a restricted reserve that is accounted for separately from all other reserves and surpluses of the Carrier and which may be used only with the specific approval of the State official designated by law to make such approvals. The amount chargeable to the contract may not exceed an allocable portion of the amount actually set aside. If the statutory reserve is no longer required for the purpose for which it was created, and these funds become available for the general use of the Carrier, a pro rata share based upon FEHBP’s contribution to the total Carrier’s set aside shall be returned to the FEHBP in accordance with FAR 31.201-5.

(B) *Premium taxes.* When the term *premium taxes* is used in this contract without further definition or explanation, it means a tax, fee, or other monetary payment directly or indirectly imposed on FEHB premiums by any State, the District of Columbia, or the Commonwealth of Puerto Rico, or by any political subdivision or other governmental authority of those entities, with the sole exception of a tax on net income or profit, if that tax, fee, or payment is applicable to a broad range of business activity.

(c) *Certification of Accounting Statement Accuracy.* (1) The Carrier shall certify the annual accounting statement in the form set forth in paragraph (c)(3) of this clause. The certificate shall be signed by the chief executive officer and the chief financial officer of the Carrier.

(2) The Carrier shall require an authorized agent of its underwriter, if any, also to certify the annual accounting statement.

(3) The certificate required shall be in the following form:

*Certification of Accounting Statement Accuracy*

This is to certify that I have reviewed this accounting statement and to the best of my knowledge and belief:

1. The statement was prepared in conformity with the guidelines issued by the Office of Personnel Management and fairly presents the financial results of this contract period in conformity with those guidelines;

2. The costs included in the statement are allowable and allocable in accordance with the terms of the contract and with the cost principles of the Federal Employees Health Benefits Acquisition Regulation and the Federal Acquisition Regulation;

3. Income, rebates, allowances, refunds and other credits made or owed in accordance with the terms of the contract and applicable cost principles have been included in the statement;

4. If applicable, the letter of credit account was managed in accordance with 5 CFR part 890, 48 CFR chapter 16, and OPM guidelines.

Carrier Name: \_\_\_\_\_

\_\_\_\_\_  
Name of Chief Executive Officer  
(Type or Print)

\_\_\_\_\_  
Name of Chief Financial Officer  
(Type or Print)

\_\_\_\_\_  
Signature of Chief Executive Officer

\_\_\_\_\_  
Signature of Chief Financial Officer

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Underwriter:

\_\_\_\_\_  
Name and Title of Responsible Corporate

\_\_\_\_\_  
Official (Type or Print):

\_\_\_\_\_  
Signature of Responsible Corporate Official:

\_\_\_\_\_  
Date Signed:

(End of Certificate)

(End of Clause)

[55 FR 27416, July 2, 1990, as amended at 56 FR 57497, Nov. 12, 1991; 57 FR 14360, Apr. 20, 1992; 62 FR 47577, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47577, Sept. 10, 1997, in section 1652.216-71, the introductory sentence was revised, effective Oct. 10, 1997. For the convenience of the user, the superseded text is set forth as follows:

**1652.216-71 Accounting and Allowable Cost.**

As prescribed in 1616.271, the following clause shall be inserted in all FEHBP contracts based on cost analysis:

\* \* \* \* \*

**1652.222-70 Notice of significant events.**

As prescribed in 1622.103-70, the following clause shall be inserted in all FEHBP contracts.

**NOTICE OF SIGNIFICANT EVENTS (JAN 1991)**

(a) The Carrier agrees to notify OPM of any Significant Event within ten (10) working days after the Carrier becomes aware of it. As used in this section, a Significant

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Event is any occurrence or anticipated occurrence that might reasonably be expected to have a material effect upon the Carrier's ability to meet its obligations under this contract, including, but not limited to, any of the following:

- (1) Disposal of major assets;
  - (2) Loss of 15% or more of the Carrier's overall membership;
  - (3) Termination or modification of any contract or subcontract if such termination or modification might have a material effect on the Carrier's obligations under this contract;
  - (4) Addition or termination of provider agreements;
  - (5) Any changes in underwriters, reinsurers, or participating plans;
  - (6) The imposition of, or notice of the intent to impose, a receivership, conservatorship, or special regulatory monitoring;
  - (7) The withdrawal of, or notice of intent to withdraw, State licensing, HHS qualification, or any other status under Federal or State law;
  - (8) Default on a loan or other financial obligation;
  - (9) Any actual or potential labor dispute that delays or threatens to delay timely performance or substantially impairs the functioning of the Carrier's facilities or facilities used by the Carrier in the performance of the contract;
  - (10) Any change in its charter, constitution, or by-laws which affects any provision of this contract or the Carrier's participation in the Federal Employees Health Benefits Program; or
  - (11) Any significant changes in policies and procedures or interpretations of the contract or brochure which would affect the benefits available under the contract or the costs charged to the contract.
- (12) Any fraud, embezzlement or misappropriation of FEHB funds; or
  - (13) Any written exceptions, reservations or qualifications expressed by the independent accounting firm (which ascribes to the standards of the American Institute of Certified Public Accountants) contracted with by the Carrier to provide an opinion on its annual financial statements.
- (b) Upon learning of a Significant Event OPM may institute action, in proportion to the seriousness of the event, to protect the interest of Members, including, but not limited to—
- (1) Directing the Carrier to take corrective action;
  - (2) Suspending new enrollments under this contract;
  - (3) Advising Enrollees of the Significant Event and providing them an opportunity to transfer to another plan;

(4) Withholding payment of subscription income or restricting access to the Carrier's Letter of Credit account.

(5) Terminating the enrollment of those enrollees who, in the judgment of OPM, would be adversely affected by the Significant Event; or

(6) Terminating this contract pursuant to section 1.15, renewal and withdrawal of approval.

(c) Prior to taking action as described in paragraph (b) of this clause, the OPM will notify the Carrier and offer an opportunity to respond.

(d) The Carrier shall insert this clause in any subcontract or subcontract modification if both the amount of the subcontract or modification charged to the FEHBP (or, in the case of a community rated carrier, applicable to the FEHBP) exceeds \$100,000 and the amount of the subcontract or modification to be charged to the FEHBP (or, in the case of a community rated carrier, applicable to the FEHBP) exceeds 25 percent of the total cost of the subcontract or modification. If the Carrier is a CMP, it shall also insert this clause in all provider agreements over \$25,000. If the Carrier is not a CMP, it shall also insert this clause in the contract with its underwriter, if any. The Carrier shall substitute "Contractor" or other appropriate reference for the term "Carrier."

(End of Clause)

[52 FR 16044, May 1, 1987, as amended at 55 FR 27417, July 2, 1990]

### 1652.224-70 Confidentiality of records.

As prescribed in 1624.104, the following clause shall be inserted in all FEHBP contracts:

#### CONFIDENTIALITY OF RECORDS (JAN 1991)

(a) The Carrier shall use the personal data on employees and annuitants that is provided by agencies and OPM, including social security numbers, for only those routine uses stipulated for the data and published annually in the FEDERAL REGISTER as a part of OPM's notice of systems of records.

(b) The Carrier shall also hold all medical records, and information relating thereto, of Federal subscribers and family members confidential except as follows:

- (1) As may be reasonably necessary for the administration of this contract;
- (2) As authorized by the patient or his or her guardian;
- (3) As disclosure is necessary to permit Government officials having authority to investigate and prosecute alleged civil or criminal actions;
- (4) As necessary to audit the contract;

(5) As necessary to carry out the coordination of benefits provisions of this contract; and

(6) For bona fide medical research or educational purposes. Release of information for medical research or educational purposes shall be limited to aggregated information of a statistical nature that does not identify any individual by name, social security number, or any other identifier unique to an individual.

(c) If the carrier uses medical records for the administration of the contract, or for bona fide medical research or educational purposes, it shall so state in the plan's brochure.

(End of clause)

[52 FR 16044, May 1, 1987, as amended at 55 FR 27417, July 2, 1990]

**1652.229-70 Taxes—Foreign Negotiated benefits contracts.**

As prescribed in section 1629.402, the following clause shall be inserted in all FEHBP contracts performed outside the United States, its possessions, and Puerto Rico:

**TAXES—FOREIGN NEGOTIATED BENEFITS  
CONTRACTS (JAN 1998)**

(a) To the extent that this contract provides for performing services outside the United States, its possessions, and Puerto Rico, this clause applies in lieu of any Federal, State, and local taxes clause of the contract.

(b) "Contract date," as used in this clause, means the effective date of this contract or modification.

"Country concerned," as used in this clause, means any country, other than the United States, its possessions, and Puerto Rico, in which expenditures under this contract are made.

"Tax" and "taxes," as used in this clause, include fees and charges for doing business that are levied by the government of the country concerned or by its political subdivisions.

"All applicable taxes and duties," as used in this clause, means all taxes and duties, in effect on the contract date, that the taxing authority is imposing and collecting on the transactions covered by this contract, pursuant to written ruling or regulation in effect on the contract date.

"After-imposed tax," as used in this clause, means any new or increased tax or duty, or tax that was exempted or excluded on the contract date but whose exemption was later revoked or reduced during the contract period, other than excepted tax, on the transactions covered by this contract that the Carrier is required to pay or bear as the

result of legislative, judicial, or administrative action taking effect after the contract date.

"After-relieved tax," as used in this clause, means any amount of tax or duty, other than an excepted tax, that would otherwise have been payable on the transactions covered by this contract, but which the Carrier is not required to pay or bear, or for which the Carrier obtains a refund, as the result of legislative, judicial, or administrative action taking effect after the contract date.

"Excepted tax," as used in this clause, means social security or other employment taxes, net income and franchise taxes, excess profits taxes, capital stock taxes, transportation taxes, unemployment compensation taxes, and property taxes. "Excepted tax" does not include gross income taxes levied on or measured by sales or receipts from sales covered by this contract, or any tax assessed on the Carrier's possession of, interest in, or use of property, title to which is in the U.S. Government.

(c) Unless otherwise provided in this contract, the contract price includes all applicable taxes and duties, except taxes and duties that the Government of the United States and the government of the country concerned have agreed shall not be applicable to expenditures in such country by or on behalf of the United States.

(d) The contract price shall be increased by the amount of any after-imposed tax or of any tax or duty specifically excluded from the contract price by a provision of this contract that the Carrier is required to pay or bear, including any interest or penalty, if the Carrier states in writing that the contract price does not include any contingency for such tax and if liability for such tax, interest, or penalty was not incurred through the Carrier's fault, negligence, or failure to follow instructions of the Contracting Officer or to comply with the provisions of paragraph (i) below.

(e) The contract price shall be decreased by the amount of any after-relieved tax, including any interest or penalty. The Government of the United States shall be entitled to interest received by the Carrier incident to a refund of taxes to the extent that such interest was earned after the Carrier was paid by the Government of the United States for such taxes. The Government of the United States shall be entitled to repayment of any penalty refunded to the Carrier to the extent that the penalty was paid by the Government.

(f) The contract price shall be decreased by the amount of any tax or duty, other than an excepted tax, that was included in the contract and that the Carrier is required to pay or bear, or does not obtain a refund of, through the Carrier's fault, negligence, or

failure to follow instructions of the Contracting Officer or to comply with the provisions of paragraph (i) below.

(g) No adjustment shall be made in the contract price under this clause unless the amount of the adjustment exceeds \$250.

(h) If the Carrier obtains a reduction in tax liability under the United States Internal Revenue Code (Title 26, U.S. Code) because of the payment of any tax or duty that either was included in the contract price or was the basis of an increase in the contract price, the amount of the reduction shall be paid or credited to the Government of the United States as the Contracting Officer directs.

(i) The Carrier shall take all reasonable action to obtain exemption from or refund of any taxes or duties, including interest or penalty, from which the United States Government, the Carrier, any subcontractor, or the transactions covered by this contract are exempt under the laws of the country concerned or its political subdivisions or which the governments of the United States and of the country concerned have agreed shall not be applicable to expenditures in such country by or on behalf of the United States.

(j) The Carrier shall promptly notify the Contracting Officer of all matters relating to taxes or duties that reasonably may be expected to result in either an increase or decrease in the contract price and shall take appropriate action as the Contracting Officer directs. The contract price shall be equitably adjusted to cover the costs of action taken by the Carrier at the direction of the Contracting Officer, including any interest, penalty, and reasonable attorneys' fees.

(End of clause)

[62 FR 47577, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47577, Sept. 10, 1997, section 1652.229-70 was added, effective Oct. 10, 1997.

#### **1652.232-70 Payments—community-rated contracts.**

As prescribed in 1632.171, the following clause shall be inserted in all community-rated FEHBP contracts:

##### **PAYMENTS (JAN 1989)**

(a) OPM will pay to the Carrier, in full settlement of its obligations under this contract, subject to adjustment for error or fraud, the subscription charges received for the plan by the Employees Health Benefits Fund (hereinafter called the Fund) less the amounts set aside by OPM for the Contingency Reserve and for the administrative expenses of OPM, plus any payments made by OPM from the Contingency Reserve.

(b) The specific subscription rates, charges, allowances and limitations applicable to the contract are set forth in Appendix B.

(c) Recurring payments from premiums shall be due and payable not later than thirty days after receipt by the Fund. The Contracting Officer may authorize special non-recurring payments from the Contingency Reserve in accordance with OPM's regulations.

(d) In the event this contract between the Carrier and OPM is terminated or not renewed in accordance with General Provision 1.15, RENEWAL and WITHDRAWAL OF APPROVAL, the Contingency Reserve of the Carrier held by OPM shall be available to the Carrier to pay the necessary and proper charges against this contract to the extent that the reserves held by the Carrier are insufficient for that purpose.

(End of Clause)

[53 FR 51784, Dec. 23, 1988, as amended at 57 FR 14360, Apr. 20, 1992; 62 FR 47578, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47578, Sept. 10, 1997, section 1652.232-70 was amended by adding a date in the clause title, effective Oct. 10, 1997.

#### **1652.232-71 Payments—experience-rated contracts.**

As prescribed in 1632.172, the following clause shall be inserted in all experience-rated FEHBP contracts:

##### **PAYMENTS (MAY 1992)**

(a) OPM will pay to the Carrier, in full settlement of its obligations under this contract, subject to adjustment for error or fraud, the subscription charges received for the Plan by the Employees Health Benefits Fund (hereinafter called the Fund) less the amounts set aside by OPM for the Contingency Reserve and for the administrative expenses of OPM, plus any payments made by OPM from the Contingency Reserve.

(b) The specific subscription rates, charges, allowances and limitations applicable to the contract are set forth in Appendix B.

(c) Recurring payments from premiums shall be made available for carrier drawdown not later than thirty days after receipt by the Fund. The Contracting Officer may authorize special non-recurring payments from the Contingency Reserve in accordance with OPM's regulations.

(d) In the event this contract between the Carrier and OPM is terminated or not renewed in accordance with General Provision 1.15, RENEWAL and WITHDRAWAL OF APPROVAL, the Contingency Reserve of the Carrier held by OPM shall be available to the Carrier to pay the necessary and proper charges against this contract to the extent that the Carrier reserves are insufficient for that purpose.

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(End of Clause)

[53 FR 51784, Dec. 23, 1988, as amended at 57 FR 14361, Apr. 20, 1992; 62 FR 47578, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47578, Sept. 10, 1997, section 1652.232-71 was amended by adding a date in the clause title, and by removing 'and/or underwriter' from paragraph (c), effective Oct. 10, 1997.

### **1652.232-72 Non-commingling of FEHBP funds.**

As prescribed in 1632.772, the following clause shall be inserted in all contracts based on cost analysis.

NON-COMMINGLING OF FUNDS (JAN 1991)

(a) The Carrier and/or its underwriter shall keep all FEHBP funds for this contract (cash and investments) physically separate from funds obtained from other sources. Accounting for such FEHBP funds shall not be based on allocations or other sharing mechanisms and shall agree with the Carrier's accounting records.

(b) In certain instances the physical separation of FEHBP funds may not be practical or desirable. In such cases, the Carrier may request a waiver from this requirement from the Contracting Officer. The waiver shall be requested in advance and the Carrier shall demonstrate that accounting techniques have been established that will clearly measure FEHBP cash and investment income (i.e., subsidiary ledgers). Reconciliations between amounts reported and actual amounts shown in accounting records shall be provided as supporting schedules to the Annual Accounting Statements.

(c) The Carrier shall incorporate this clause in all subcontracts that exceed \$25,000 and shall substitute "contractor" or other appropriate reference for "Carrier and/or its underwriter."

(End of Clause)

[52 FR 16044, May 1, 1987. Redesignated at 53 FR 51784, Dec. 23, 1988, and amended at 55 FR 27418, July 2, 1990]

### **1652.232-73 Approval for the Assignment of Claims.**

As prescribed in 1632.806-70, the following clause shall be inserted in all FEHBP contracts:

APPROVAL FOR ASSIGNMENT OF CLAIMS (JAN 1991)

(a) Notwithstanding the provisions of section 5.35, (FAR 52.232-23) Assignment of Claims, the Carrier shall not make any assignment under the Assignment of Claims

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Act without the prior written approval of the Contracting Officer.

(b) Unless a different period is specified in the Contracting Officer's written approval, an assignment shall be in force only for a period of 1 year from the date of the Contracting Officer's approval. However, assignments may be renewed upon their expiration.

(End of Clause)

[55 FR 27418, July 2, 1990]

### **1652.243-70 Changes—Negotiated benefits contracts.**

As prescribed in section 1643.205-70, the following clause shall be inserted in all FEHBP contracts.

CHANGES—NEGOTIATED BENEFITS CONTRACTS (JAN 1998)

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

(1) Description of services to be performed.

(2) Time of performance (i.e., hours of the day, days of the week, etc.).

(3) Place of performance of the services.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

(c) The Carrier must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Carrier from proceeding with the contract as changed.

(End of clause)

[62 FR 47578, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47578, Sept. 10, 1997, section 1652.243-70 was added, effective Oct. 10, 1997.

### **1652.244-70 Subcontracts.**

As prescribed by 1644.270, the following clause shall be inserted in all FEHBP contracts based on cost analysis (experience rated):

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### SUBCONTRACTS (JAN 1998)

(a) The Carrier shall notify the Contracting Officer reasonably in advance of entering into any subcontract, or any subcontract modification, or as otherwise specified by this contract, if both the amount of the subcontract or modification charged to the FEHB Program exceeds \$100,000 and is at least 25 percent of the total cost of the subcontract.

(b) The advance notification required by paragraph (a) of this clause shall include the information specified below:

(1) A description of the supplies or services to be subcontracted;

(2) Identification of the type of subcontract to be used;

(3) Identification of the proposed subcontract and an explanation of why and how the proposed subcontractor was selected, including the competition obtained;

(4) The proposed subcontract price and the Carrier's cost or price analysis;

(5) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions;

(6) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract; and

(7) A negotiation memorandum reflecting—

(i) The principal elements of the subcontract price negotiations;

(ii) The most significant consideration controlling establishment of initial or revised prices;

(iii) The reason cost or pricing data were or were not required;

(iv) The extent, if any, to which the Carrier did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;

(v) The extent to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the Carrier and the subcontractor; and the effect of any such defective data on the total price negotiated;

(vi) The reasons for any significant difference between the Carrier's price objective and the price negotiated; and

(vii) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.

(c) The Carrier shall obtain the Contracting Officer's written consent before placing any subcontract for which advance notification

is required under paragraph (a) of this clause. However, the Contracting Officer may ratify in writing any such subcontract. Ratification shall constitute the consent of the Contracting Officer.

(d) The Contracting Officer may waive the requirement for advance notification and consent required by paragraphs (a), (b), and (c) of this clause where the Carrier and subcontractor submit an application or renewal as a contractor team arrangement as defined in FAR subpart 9.6 and—

(1) The Contracting Officer evaluated the arrangement during negotiation of the contract or contract renewal; and

(2) The subcontractor's price and/or costs were included in the plan's rates that were reviewed and approved by the Contracting Officer during negotiation of the contract or contract renewal.

(e) Unless the consent or approval specifically provides otherwise, consent by the Contracting Officer to any subcontract shall not constitute a determination (1) of the acceptability of any subcontract terms or conditions; (2) of the allowability of any cost under this contract; or (3) to relieve the Carrier of any responsibility for performing this contract.

(f) No subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis. Any fee payable under cost reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.903(d). Any profit or fee payable under a subcontract shall be in accordance with the provision of subpart 3.7, Service charge.

(g) The Carrier shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Carrier by any subcontractor or vendor that, in the opinion of the Carrier, may result in litigation related in any way to this contract with respect to which the Carrier may be entitled to reimbursement from the Government.

(End of clause)

[52 FR 16044, May 1, 1987, as amended at 55 FR 27418, July 2, 1990; 62 FR 47578, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47578, Sept. 10, 1997, section 1652.244-70 was amended by revising the introductory paragraph, clause date, and paragraph (a) of the clause, effective Oct. 10, 1997. For the convenience of the user, the superseded text is set forth as follows:

### 1652.244-70 Subcontracts.

As prescribed by 1644.270, the following clause shall be inserted in all FEHBP contracts:

## SUBCONTRACTS (JAN 1991)

(a) The Carrier shall notify the Contracting Officer reasonably in advance of entering into any subcontract or subcontract modification, or as otherwise specified by this contract, if both the amount of the subcontract or modification charged to the FEHB Program (in the case of a community rated carrier, applicable to the FEHB Program) exceeds \$100,000 and is 25 percent of the total cost of the subcontract.

\* \* \* \* \*

**1652.245-70 Government property (negotiated benefits contracts).**

As prescribed in section 1645.303-70, the following clause shall be inserted in all FEHBP contracts.

## Government Property (Negotiated Benefits Contracts) (Jan 1998)

(a) Government-furnished property. (1) The Government shall deliver to the Carrier, for use in connection with and under the terms of this contract, the Government-furnished property described in this contract together with any related data and information that the Carrier may request and is reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").

(2) The delivery or performance dates for this contract are based upon the expectation that Government-furnished property suitable for use (except for property furnished "as-is") will be delivered to the Carrier at the times stated in this contract or, if not so stated, in sufficient time to enable the Carrier to meet the contract's performance dates.

(3) If Government-furnished property is received by the Carrier in a condition not suitable for the intended use, the Carrier shall, upon receipt of it, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at Government expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Carrier, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.

(b) Changes in Government-furnished property. (1) The Contracting Officer may, by written notice, (i) decrease the Government-furnished property provided or to be provided under this contract, or (ii) substitute other Government-furnished property for the property to be provided by the Government, or to be acquired by the Carrier for the Government, under this contract. The Carrier shall promptly take such action as the Contracting Officer may direct regarding the re-

moval, shipment, or disposal of the property covered by such notice.

(2) Upon the Carrier's written request, the Contracting Officer shall make an equitable adjustment to the contract in accordance with paragraph (h) of this clause, if the Government has agreed in this contract to make the property available for performing this contract and there is any—

(i) Decrease or substitution in this property pursuant to subparagraph (b)(1) above; or

(ii) Withdrawal of authority to use this property, if provided under any other contract or lease.

(c) Title in Government property. (1) The Government shall retain title to all Government-furnished property.

(2) All Government-furnished property and all property acquired by the Carrier, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(d) Use of Government property. The Government property shall be used only for performing this contract, unless otherwise provided in this contract or approved by the Contracting Officer.

(e) Property administration. (1) The Carrier shall be responsible and accountable for all Government property provided under this contract and shall comply with Federal Acquisition Regulation (FAR) subpart 45.5, as in effect on the date of this contract.

(2) The Carrier shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound industrial practice and the applicable provisions of subpart 45.5 of the FAR.

(3) If damage occurs to Government property, the risk of which has been assumed by the Government under this contract, the Government shall replace the items or the Carrier shall make such repairs as the Government directs. However, if the Carrier cannot effect such repairs within the time required, the Carrier shall dispose of the property as directed by the Contracting Officer. When any property for which the Government is responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(4) The Carrier represents that the contract price does not include any amount for repairs or replacement for which the Government is responsible. Repair or replacement



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of property for which the Carrier is responsible shall be accomplished by the Carrier at its own expense.

(f) Access. The Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

(g) Risk of loss. Unless otherwise provided in this contract, the Carrier assumes the risk of, and shall be responsible for, any loss or destruction of, or damage to, Government property upon its delivery to the Carrier. However, the Carrier is not responsible for reasonable wear and tear to Government property or for Government property properly consumed in performing this contract.

(h) Equitable adjustment. When this clause specifies an equitable adjustment, it shall be made to any affected contract provision in accordance with the procedures of the Changes clause. When appropriate, the Contracting Officer may initiate an equitable adjustment in favor of the Government. The right to an equitable adjustment shall be the Carrier's exclusive remedy. The Government shall not be liable to suit for breach of contract for—

(1) Any delay in delivery of Government-furnished property;

(2) Delivery of Government-furnished property in a condition not suitable for its intended use;

(3) A decrease in or substitution of Government-furnished property; or

(4) Failure to repair or replace Government property for which the Government is responsible.

(i) Final accounting and disposition of Government property. Upon completing this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Carrier shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property (including any resulting scrap) not consumed in performing this contract or delivered to the Government. The Carrier shall prepare for shipment, deliver f.o.b. origin, or dispose of the Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or shall be paid to the Government as the Contracting Officer directs.

(j) Abandonment and restoration of Carrier's premises. Unless otherwise provided herein, the Government—

(1) May abandon any Government property in place, at which time all obligations of the Government regarding such abandoned property shall cease; and

(2) Has no obligation to restore or rehabilitate the Carrier's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or upon contract completion). However, if the Government-

furnished property is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

(k) Communications. All communications under this clause shall be in writing.

(l) Overseas contracts. If this contract is to be performed outside of the United States of America, its territories, or possessions, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished", respectively.

(End of clause)

[62 FR 47578, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47578, Sept. 10, 1997, section 1652.245-70 was added, effective Oct. 10, 1997.

### 1652.246-70 FEHB Inspection.

As prescribed in 1646.301, the following clause shall be inserted in all FEHBP contracts:

FEHB INSPECTION (JAN 1991)

(a) The Government or its agent has the right to inspect and evaluate the work performed or being performed under the contract, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If the Government or its agent performs inspection or evaluation on the premises of the Carrier or a subcontractor, the Carrier shall furnish and require the subcontractor to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

(b) The Carrier shall insert this clause in all subcontracts for underwriting and administrative services and shall substitute "Contractor" or other appropriate reference for the term "Carrier."

(End of Clause)

[55 FR 27418, July 2, 1990]

### 1652.249-70 Renewal and withdrawal of approval.

As prescribed in 1649.101-70, the following clause shall be inserted in all FEHBP contracts:

RENEWAL AND WITHDRAWAL OF APPROVAL  
(JAN 1991)

(a) Pursuant to 5 U.S.C. 8902(a), the contract renews automatically for a term of 1 year each January 1st, unless written notice

of intent not to renew is given either by OPM or the Carrier not less than 60 calendar days before the renewal date, or unless modified by mutual agreement.

(b) This contract also may be terminated at other times by order of OPM pursuant to 5 U.S.C. 8902(e). After OPM notifies the Carrier of its intent to terminate the contract, OPM may take action as it deems necessary to protect the interests of members, including but not limited to—

(1) Suspending new enrollments under the contract;

(2) Advising enrollees of the asserted deficiencies; and

(3) Providing enrollees an opportunity to transfer to another Plan.

(c) OPM may, after proper notice, terminate the contract at the end of the contract term if it finds that the Carrier did not have at least 300 enrollees enrolled in its plan at any time during the two preceding contract terms.

(End of Clause)

[52 FR 16044, May 1, 1987, as amended at 55 FR 27418, July 2, 1990; 57 FR 19388, May 6, 1992]

**1652.249-71 FEHBP termination for convenience of the government—negotiated benefits contracts.**

As prescribed in section 1649.101-71, the following clause shall be inserted in all FEHBP contracts.

FEHBP Termination for Convenience of the Government—Negotiated Benefits Contracts (Jan 1998)

(a) The Government may terminate performance of work under this contract in whole or, from time to time, in part if the Contracting Officer determines that a termination is in the Government's interest. The Contracting Officer shall terminate by delivering to the Carrier a Notice of Termination specifying the extent of terminating and the effective date.

(b) After receipt of a Notice of Termination, and except as directed by the Contracting Officer, the Carrier shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

(1) Stop work as specified in the notice.

(2) Place no further subcontracts except as necessary to complete the continued portion of the contract.

(3) Terminate all subcontracts to the extent they relate to the work terminated.

(4) Assign to the Government, as directed by the Contracting Officer, all right, title, and interest of the Carrier under the subcontracts terminated, in which case the Gov-

ernment shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.

(5) With approval or ratification to the extent required by the Contracting Officer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification will be final for purposes of this clause.

(6) As directed by the Contracting Officer, deliver to the Government any data, reports, or studies that, if the contract had been completed, would be required to be furnished to the Government.

(7) Complete performance of the work not terminated.

(c) After termination, the Carrier shall submit a final termination settlement proposal to the Contracting Officer in the form and with the certification prescribed by the Contracting Officer. The Carrier shall submit the proposal promptly, but no later than 1 year from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Carrier within this 1-year period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after 1 year or any extension. If the Carrier fails to submit the proposal within the time allowed, the Contracting Officer may determine, on the basis of information available, the amount, if any, due the Carrier because of the termination and shall pay the amount determined.

(d) Subject to paragraph (c) of this clause, the Carrier and the Contracting Officer may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph (d) or paragraph (e) of this clause, exclusive of costs shown in subparagraph (e)(3) of this clause, may not exceed the total contract price as reduced by (1) the amount of payments previously made and (2) the contract price of work not terminated. The contract shall be modified, and the Carrier paid the agreed amount. Paragraph (e) of this clause shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

(e) If the Carrier and the Contracting Officer fail to agree on the whole amount to be paid because of the termination of work, the Contracting Officer shall pay the Carrier the amounts determined by the Contracting Officer as follows, but without duplication of any amounts agreed on under paragraph (d) above:

(1) The contract price for completed services accepted by the Government not previously paid for.

(2) The total of—

(i) The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to services paid or to be paid under paragraph (e)(1) of this clause;

(ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subdivision (e)(2)(i) of this clause; and

(iii) A sum, as profit on subdivision (e)(2)(i) of this clause, determined by the Contracting Officer under 49.202 of the Federal Acquisition Regulation, in effect on the date of this contract, to be fair and reasonable.

(3) The reasonable costs of settlement of the work terminated, including—

(i) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(ii) The termination and settlement of subcontracts (excluding the amounts of such settlements); and

(f) The cost principles and procedures of part 31 of the Federal Acquisition Regulation, in effect on the date of this contract, shall govern all costs claimed, agreed to, or determined under this clause.

(g) The Carrier shall have the right of appeal, under the Disputes clause, from any determination made by the Contracting Officer under paragraph (c), (e), or (i) of this clause, except that if the Carrier failed to submit the termination settlement proposal or request for equitable adjustment within the time provided in paragraph (c) or (i), respectively, and failed to request a time extension, there is no right of appeal.

(h) In arriving at the amount due the Carrier under this clause, there shall be deducted—

(1) All unliquidated advance or other payments to the Carrier under the terminated portion of this contract;

(2) Any claim which the Government has against the Carrier under this contract; and

(i) If the termination is partial, the Carrier may file a proposal with the Contracting Officer for an equitable adjustment of the price(s) of the continued portion of the contract. The Contracting Officer shall make any equitable adjustment agreed upon. Any proposal by the Carrier for an equitable adjustment under this clause shall be requested within 90 days from the effective date of termination unless extended in writing by the Contracting Officer.

(j)(1) The Government may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Carrier for the terminated portion of the contract, if the Contracting Officer believes the total of these

payments will not exceed the amount to which the Carrier will be entitled.

(2) If the total payments exceed the amount finally determined to be due, the Carrier shall repay the excess to the Government upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest shall be computed for the period from the date the excess payment is received by the Carrier to the date the excess is repaid.

(k) Unless otherwise provided in this contract or by statute, the Carrier shall maintain all records and documents relating to the terminated portion of this contract for 3 years after final settlement. This includes all books and other evidence bearing on the Carrier's costs and expenses under this contract. The Carrier shall make these records and documents available to the Government, at the Carrier's office, at all reasonable times, without any direct charge. If approved by the Contracting Officer, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.

(End of clause)

[62 FR 47579, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47579, Sept. 10, 1997, section 1652.249-71 was added, effective Oct. 10, 1997.

**1652.249-72 FEHBP termination for default—negotiated benefits contracts.**

As prescribed in §1649.101-72, the following clause shall be inserted in all FEHBP contracts.

**FEHBP TERMINATION FOR DEFAULT—  
NEGOTIATED BENEFITS CONTRACTS (JAN 1998)**

(a) (1) The Government may, subject to paragraphs (c) and (d) below, by written notice of default to the Carrier, terminate this contract in whole or in part if the Carrier fails to—

(i) Perform the services within the time specified in this contract or any extension;

(ii) Make progress, so as to endanger performance of this contract (but see subparagraph (a)(2) below); or

(iii) Perform any of the other provisions of this contract (but see subparagraph (a)(2) below).

(2) The Government's right to terminate this contract under subdivisions (1)(ii) and (1)(iii) above, may be exercised if the Carrier does not cure such failure within 10 days (or more if authorized in writing by the Contracting Officer) after receipt of the notice from the Contracting Officer specifying the failure.

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(b) If the Government terminates this contract in whole or in part, it may acquire, under the terms and in the manner the Contracting Officer considers appropriate, supplies or service similar to those terminated, and the Carrier will be liable to the Government for any excess costs for those supplies or services. However, the Carrier shall continue the work not terminated.

(c) Except for defaults of subcontractors at any tier, the Carrier shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Carrier. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform must be beyond the control and without the fault or negligence of the Carrier.

(d) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Carrier and subcontractor, and without the fault or negligence of either, the Carrier shall not be liable for any excess costs for failure to perform, unless the subcontracted supplies or services were obtainable from other sources in sufficient time for the Carrier to meet the required delivery schedule.

(e) If this contract is terminated for default, the Government may require the Carrier to transfer title and deliver to the Government, as directed by the Contracting Officer, any completed or partially completed information and contract rights that the Carrier has specifically produced or acquired for the terminated portion of this contract.

(f) If, after termination, it is determined that the Carrier was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as

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if the termination had been issued for the convenience of the Government.

(g) The rights and remedies of the Government in this clause are in addition to any other rights and remedies provided by law or under this contract.

(End of clause)

[62 FR 47580, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47580, Sept. 10, 1997, section 1652.249–72 was added, effective Oct. 10, 1997.

### Subpart 1652.3—FEHBP Clause Matrix

#### 1652.370 Use of the matrix.

(a) The matrix in this section lists the FAR and FEHBP clauses to be used with contracts based on cost analysis and contracts based on a combination of cost and price analysis. Carriers shall submit initial applications and requests for renewals on the basis that the new contract or contract renewal will include the clauses indicated.

(b) Certain contract clauses are mandatory for FEHBP contracts. Other clauses are to be used only when made applicable by pertinent sections of the FAR or FEHBP. An “M” in the “Use Status” column indicates that the clause is mandatory. An “A” indicates that the clause is to be used only when the applicable conditions are met.

(c) Clauses are incorporated in the contract either in full text or by reference. If the full text is to be used, the matrix indicates a “T”. If the clause is incorporated by reference, the matrix indicates an “R”.

## FEHBP CLAUSE MATRIX

| Clause No.    | Text reference  | Title   | Use status | Use with experience rated contracts | Use with community rated contracts |
|---------------|-----------------|---|------------|-------------------------------------|------------------------------------|
| FAR 52.202-1  | FAR 2.2         | Definitions   | M          | T                                   | T                                  |
| FAR 52.203-3  | FAR 3.202       | Gratuities  | M          | T                                   | T                                  |
| FAR 52.203-5  | FAR 3.404(c)    | Covenant Against Contingent Fees.   | M          | T                                   | T                                  |
| FAR 52.203-7  | FAR 3.502-3     | Anti-Kickback Procedures  | M          | T                                   | T                                  |
| FAR 52.203-12 | FAR 3.808       | Limitation on Payments to Influence Certain Federal Transactions.   | M          | T                                   | T                                  |
| 1652.203-70   | 1603.703        | Misleading, Deceptive, or Unfair Advertising.   | M          | T                                   | T                                  |
| 1652.204-70   | 1604.705        | Contractor Records Retention  | M          | T                                   | T                                  |
| 1652.204-71   | 1604.7001       | Coordination of Benefits  | M          | T                                   | T                                  |
| 1652.204-72   | 1604.7101       | Filing Health Benefit Claims/Court Review of Disputed Claims.   | M          | T                                   | T                                  |
| FAR 52.209-6  | FAR 9.409(b)    | Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment. | M          | T                                   | T                                  |
| FAR 52.215-2  | FAR 15.105-2(b) | Audit & Records—Negotiations  | M          | T                                   | T                                  |
| FAR 52.215-22 | FAR 15.804-8(a) | Price Reduction for Defective Cost or Pricing Data.   | M          | T                                   | T                                  |
| FAR 52.215-24 | FAR 15.804-8(c) | Subcontractor Cost or Pricing Data.   | M          | T                                   | T                                  |
| FAR 52.215-27 | FAR 15.804-8(e) | Termination of Defined Benefit Pension Plans.   | M          | T                                   | T                                  |
| FAR 52.215-30 | FAR 15.904(a)   | Facilities Capital Cost of Money  | M          | T                                   | T                                  |
| FAR 52.215-31 | FAR 15.904(b)   | Waiver of Facilities Capital Cost of Money.   | A          | T                                   | T                                  |
| FAR 52.215-39 | FAR 15.804-8(f) | Reversion or Adjustment of Plans for Post Retirement Benefits Other Than Pensions (PRB).                                  | M          | T                                   | T                                  |
| FAR 52.215-70 | 1615.804-72     | Rate Reduction for Defective Pricing or Defective Cost or Pricing Data.   | M          |                                     | T                                  |
| 1652.215-71   | 1615.805-71     | Investment Income   | M          | T                                   |                                    |
| 1652.216-70   | 1616.7001       | Accounting and Price Adjustment   | M          | T                                   | T                                  |
| 1652.216-71   | 1616.7002       | Accounting and Allowable Cost   | M          | T                                   | T                                  |
| FAR 52.219-8  | FAR 19.708(a)   | Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns.  | M          | T                                   | T                                  |
| FAR 52.222-1  | FAR 22.103-5(a) | Notice to the Government of Labor Disputes.   | M          | T                                   | T                                  |
| FAR 52.222-3  | FAR 22.202      | Convict Labor   | M          | T                                   | T                                  |

## FEHBP CLAUSE MATRIX—Continued

| Clause No.          | Text reference                          | Title   | Use status | Use with experience rated contracts | Use with community rated contracts |
|---------------------|---|---|------------|-------------------------------------|------------------------------------|
| FAR 52.222-4 .....  | FAR 22.305(a) .....                     | Contract Work Hours and Safety Standards Act—Overtime Compensation—General. | M          | T                                   | T                                  |
| FAR 52.222-21 ..... | FAR 22.810(a)(1) .....                  | Certification of Nonsegregated Facilities.                                  | M          | T                                   | T                                  |
| FAR 52.222-26 ..... | FAR 22.810(a) .....                     | Equal Opportunity .....   | M          | T                                   | T                                  |
| FAR 52.222-28 ..... | FAR 22.810(g) .....                     | Equal Opportunity Preaward Clearance of Subcontracts.                       | M          | T                                   | T                                  |
| FAR 52.222-29 ..... | FAR 22.810(h) .....                     | Notification of Visa Denial .....   | A          | T                                   | T                                  |
| FAR 52.222-35 ..... | FAR 22.1308(a) .....                    | Affirmative Action for Special Disabled and Vietnam Era Veterans.           | M          | T                                   | T                                  |
| FAR 52.222-36 ..... | FAR 22.1408(a) .....                    | Affirmative Action for Handicapped Workers.                                 | M          | T                                   | T                                  |
| FAR 52.222-37 ..... | FAR 22.1308(b) .....                    | Employment Reports on Special Disabled Veterans of the Vietnam Era.         | M          | T                                   | T                                  |
| 1652.222-70 .....   | 1622.103-70 .....                       | Notice of Significant Events .....  | M          | T                                   | T                                  |
| FAR 52.223-2 .....  | FAR 23.105(b) .....                     | Clean Air and Water .....   | A          | T                                   | T                                  |
| FAR 52.223-6 .....  | FAR 23.505(b) .....                     | Drug-Free Workplace .....   | A          | T                                   | T                                  |
| 1652.224-70 .....   | 1624.104 .....                          | Confidentiality of Records .....  | M          | T                                   | T                                  |
| FAR 52.227-1 .....  | FAR 27.201-2(a) .....                   | Authorization and Consent .....   | M          | T                                   | T                                  |
| FAR 52.227-2 .....  | FAR 27.202-2 .....                      | Notice and Assistance Regarding Patent and Copyright Infringement.          | M          | T                                   | T                                  |
| FAR 52.229-3 .....  | FAR 29.401-3 .....                      | Federal, State and Local Taxes ..   | M          | T                                   | T                                  |
| FAR 52.229-4 .....  | FAR 29.401-4 .....                      | Federal, State and Local Taxes (Noncompetitive Contract).                   | M          | T                                   | T                                  |
| FAR 52.229-5 .....  | FAR 29.401-5 .....                      | Taxes—Contracts Performed in U.S. Possessions or Puerto Rico.               | A          | T                                   | T                                  |
| 1652.229-70 .....   | FEHBP 1629.402 .....                    | Taxes—Foreign Negotiated Benefits Contracts.                                | A          | T                                   | T                                  |
| FAR 52.230-2 .....  | FAR 30.201-4(a)(1) .....                | Cost Accounting Standards .....   | A          | T                                   | T                                  |
| FAR 52.230-3 .....  | FAR 30.201-4(b)(1) .....                | Disclosure and Consistency of Cost Accounting Practices.                    | A          | T                                   | T                                  |
| FAR 52.230-6 .....  | FAR 30.201-4(d)(1) .....                | Administration of Cost Accounting Standards.                                | A          | T                                   | T                                  |
| FAR 52.232-8 .....  | FAR 32.111(c)(1) .....                  | Discounts for Prompt Payment .....  | M          | T                                   | T                                  |
| FAR 52.232-17 ..... | FAR 32.617(a) Modification: 1632.617 .. | Interest .....  | M          | T                                   | T                                  |
| FAR 52.232-23 ..... | FAR 32.806(a)(1) .....                  | Assignment of Claims .....  | A          | T                                   | T                                  |
| FAR 52.232-33 ..... | FAR 32.1103(a)&(c) .....                | Mandatory Information for Electronic Funds Transfer Payment.                | M          | T                                   | T                                  |

|                     |                        |  |   |   |  |   |
|---------------------|------------------------|--|---|---|--|---|
| 1652.232-70 .....   | 1632.171 .....         | Payments—Contracts Without Letter of Credit Payment Arrangements.                  | A |   |  | T |
| 1652.323-71 .....   | 1632.172 .....         | Payments—Contracts With Letter of Credit Payment Arrangements.                     | A | T |  |   |
| 1652.232-72 .....   | 1632.772 .....         | Non-Commingling of FEHBP Funds.  | M | T |  |   |
| 1652.232-73 .....   | 1632.806-70 .....      | Approval for Assignment of Claims.   | M | T |  | T |
| FAR 52.233-1 .....  | FAR 33.215 .....       | Disputes .....   | M | T |  | T |
| FAR 52.242-1 .....  | FAR 42.802 .....       | Notice of Intent to Disallow Costs   | M | T |  |   |
| FAR 52.242-3 .....  | FAR 42.709-6 .....     | Penalties for Unallowable Costs ...  | M | T |  |   |
| FAR 52.242-13 ..... | FAR 42.903 .....       | Bankruptcy .....   | M | T |  | T |
| 1652.243-70 .....   | 1643.205-70 .....      | Changes—Negotiated Benefits Contracts.   | M | T |  | T |
| FAR 52.244-5 .....  | FAR 44.204(e) .....    | Competition in Subcontracting .....  | M | T |  |   |
| FAR 52.244-6 .....  | FAR 44.403 .....       | Subcontracts for Commercial Items and Commercial Components.                       | M | T |  |   |
| 1652.244-70 .....   | 1644.270 .....         | Subcontracts .....   | M | T |  | T |
| 1652.245-70 .....   | FAR 1645.303-70 .....  | Government Property (Negotiated Benefits Contracts).                               | M | T |  |   |
| FAR 52.246-25 ..... | FAR 46.805(a)(4) ..... | Limitation of Liability—Services ...   | M | T |  |   |
| 1652.246-70 .....   | 1646.301 .....         | FEHB Inspection .....  | M | T |  | T |
| FAR 52.247-63 ..... | FAR 47.405 .....       | Preference for U.S.-Flag Air Carriers.   | M | T |  | T |
| 1652.249-70 .....   | 1649.101-70 .....      | Renewal and Withdrawal of Approval.  | M | T |  |   |
| 1652.249-71 .....   | 1649.101-71 .....      | FEHBP Termination for Convenience of the Government—Negotiated Benefits Contracts. | M | T |  | T |
| 1652.249-72 .....   | 1649.101-72 .....      | FEHBP Termination for Default—Negotiated Benefits Contracts.                       | M | T |  |   |
| FAR 52.251-1 .....  | FAR 51.107 .....       | Government Supply Sources .....  | A | T |  | T |
| FAR 52.252-4 .....  | FAR 52.107(d) .....    | Alterations in Contract .....  | A | T |  |   |
| FAR 52.252-6 .....  | FAR 52.107(f) .....    | Authorized Deviations in Clauses   | M | T |  | T |

**1652.370**

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[52 FR 16044, May 1, 1987, as amended at 55 FR 27418, July 2, 1990; 59 FR 14767, Mar. 30, 1994; 62 FR 47580, Sept. 10, 1997; 62 FR 50435, Sept. 25, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47580, Sept. 10, 1997, section 1652.370 was amended in paragraph (a) by removing the words “established catalog or market price” in the first sentence and adding in its place the words “a combination of cost and price analysis;” and by revising the FEHBP Clause Matrix, effective

Oct. 10, 1997. For the convenience of the user the superseded text is set forth as follows:

**1652.370 Use of the matrix.**

\* \* \* \* \*

**FEHBP CLAUSE MATRIX**

| Clause no.          | Text reference        | Title   | Use status | Use with contracts based on |                |
|---------------------|-----------------------|---|------------|-----------------------------|----------------|
|                     |                       |   |            | Cost analysis               | Price analysis |
| FAR 52.202–1 .....  | FAR 2.2 .....         | Definitions .....   | M .....    | T .....                     | T              |
| FAR 52.203–1 .....  | FAR 3.102–2 .....     | Officials Not to Benefit .....  | M .....    | T .....                     | T              |
| FAR 52.203–3 .....  | FAR 3.202 .....       | Gratuities .....  | M .....    | T .....                     | T              |
| FAR 52.203–5 .....  | FAR 3.404(c) .....    | Covenant Against Contingent Fees.   | M .....    | T .....                     | T              |
| FAR 52.203–7 .....  | FAR 3.502–3 .....     | Anti-Kickback Procedures  | M .....    | T .....                     | T              |
| FAR 52.203–9 .....  | FAR 3.104–10(b) ..... | Requirement for Certificate of Procurement Integrity—Modification.  | M .....    | T .....                     | T              |
| FAR 52.203–12 ..... | FAR 3.808 .....       | Limitation on Payments to Influence Certain Federal Transactions.   | M .....    | T .....                     | T              |
| 1652.203–70 .....   | 1603–703 .....        | Misleading, Deceptive, or Unfair Advertising.   | M .....    | T .....                     | T              |
| 1652.204–70 .....   | 1604.705 .....        | Contractor Records Retention.   | M .....    | T .....                     | T              |
| 1652.204–71 .....   | 1604.7001 .....       | Coordination of Benefits ....   | M .....    | T .....                     | T              |
| FAR 52.209–6 .....  | FAR 9.409(b) .....    | Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment. | M .....    | T .....                     | T              |
| FAR 52.215–1 .....  | FAR 15.106–1(b) ..... | Examination of Records by Comptroller General.  | M .....    | T .....                     | T              |
| FAR 52.215–2 .....  | FAR 15.106–2(b) ..... | Audit-Negotiation .....   | M .....    | T .....                     | T              |
| FAR 52.215–22 ..... | FAR 15.804–8(a) ..... | Price Reduction for Defective Cost or Pricing Data.   | M .....    | T .....                     |                |
| FAR 52.215–23 ..... | FAR 15.804–8(b) ..... | Price Reduction for Defective Cost or Pricing Data—Modifications.   | M .....    |                             | T              |
| FAR 52.215–24 ..... | FAR 15.804–8(c) ..... | Subcontractor Cost or Pricing Data.   | M .....    | T .....                     |                |
| FAR 52.215–25 ..... | FAR 15.804–8(d) ..... | Subcontractor Cost or Pricing Data—Modifications.   | M .....    |                             | T              |
| FAR 52.215–27 ..... | FAR 15.804–8(e) ..... | Termination of Defined Benefit Pension Plans.   | M .....    | T .....                     | T              |
| FAR 52.215–30 ..... | FAR 15.904 .....      | Facilities Capital Cost of Money.   | M .....    | T .....                     |                |
| FAR 52.215–31 ..... | FAR 15.904 .....      | Waiver of Facilities Capital Cost of Money.   | A .....    | T .....                     |                |
| FAR 52.215–39 ..... | FAR 15.804–8(f) ..... | Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (PRB).                                   | M .....    | T .....                     | T              |
| 1652.215–70 .....   | 1615.804–72 .....     | Rate Reduction for Defective Pricing or Defective Cost or Pricing Data.   | M .....    |                             | T              |
| 1652.215–71 .....   | 1615.805–71 .....     | Investment Income .....   | M .....    | T .....                     |                |
| 1652.216–70 .....   | 1616.270 .....        | Accounting and Price Adjustment.  | M .....    |                             | T              |
| 1652.216–71 .....   | 1616.271 .....        | Accounting and Allowable Cost.  | M .....    | T .....                     |                |



## FEHBP CLAUSE MATRIX—Continued

| Clause no.          | Text reference                        | Title   | Use status | Use with contracts based on |                |
|---------------------|---------------------------------------|---|------------|-----------------------------|----------------|
|                     |                                       |   |            | Cost analysis               | Price analysis |
| FAR 52.219-8 .....  | FAR 19.708(a) .....                   | Utilization of Small Business Concerns and Small Disadvantaged Business Concerns. | M .....    | T .....                     | T              |
| FAR 52.219-13 ..... | FAR 19.902 .....                      | Utilization of Women-Owned Small Businesses.                                      | M .....    | T .....                     | T              |
| FAR 52.220-3 .....  | FAR 20.302(a) .....                   | Utilization of Labor Surplus Area Concerns.                                       | M .....    | T .....                     | T              |
| FAR 52.222-1 .....  | FAR 22.103-5(a) .....                 | Notice to the Government of Labor Disputes.                                       | M .....    | T .....                     | T              |
| FAR 52.222-3 .....  | FAR 22.202 .....                      | Convict Labor .....   | M .....    | T .....                     | T              |
| FAR 52.222-4 .....  | FAR 22.305(a) .....                   | Contract Work Hours and Safety Standards Act—Overtime Compensation—General.       | M .....    | T .....                     | T              |
| FAR 52.222-26 ..... | FAR 22.810(e) .....                   | Equal Opportunity .....   | M .....    | T .....                     | T              |
| FAR 52.222-28 ..... | FAR 22.810(g) .....                   | Equal Opportunity   | M .....    | T .....                     | T              |
|                     |                                       | Preaward Clearance of Subcontracts.   |            |                             |                |
| FAR 52.222-29 ..... | FAR 22.810(h) .....                   | Notification of Visa Denial   | A .....    | T .....                     | T              |
| FAR 52.222-35 ..... | FAR 22.1308(a) .....                  | Affirmative Action for Special Disabled and Vietnam Era Veterans.                 | M .....    | T .....                     | T              |
| FAR 52.222-36 ..... | FAR 22.1408(a) .....                  | Affirmative Action for Handicapped Workers.                                       | M .....    | T .....                     | T              |
| 1652.222-70 .....   | 1622.103-70 .....                     | Notice of Significant Events  | M .....    | T .....                     | T              |
| FAR 52.223-2 .....  | FAR 23.105(b) .....                   | Clean Air and Water .....   | A .....    | T .....                     | T              |
| FAR 52.223-6 .....  | FAR 23.505(c) .....                   | Drug-Free Workplace .....   | A .....    | T .....                     | T              |
| 1652.224-70 .....   | 1624.104 .....                        | Confidentiality of Records  | M .....    | T .....                     | T              |
| FAR 52.229-3 .....  | FAR 29.401-3 .....                    | Federal, State and Local Taxes.   | M .....    | T .....                     | T              |
| FAR 52.229-4 .....  | FAR 29.401-4 .....                    | Federal, State and Local Taxes (Noncompetitive Contract).                         | M .....    | T .....                     |                |
| FAR 52.229-5 .....  | FAR 29.401-5 .....                    | Taxes—Contracts Performed in U.S. Possessions or Puerto Rico.                     | A .....    | T .....                     | T              |
| FAR 52.229-6 .....  | FAR 29.402-1(a) .....                 | Taxes—Foreign Fixed Price Contracts.  | A .....    | T .....                     | T              |
| FAR 52.230-2 .....  | FAR 30.201-4(a)(1) .....              | Cost Accounting Standards   | A .....    | T .....                     | T              |
| FAR 52.230-3 .....  | FAR 30.201-4(b)(1) .....              | Disclosure and Consistency of Cost Accounting Practices.                          | A .....    | T .....                     | T              |
| FAR 52.230-5 .....  | FAR 30.201-4(d)(1) .....              | Administration of Cost Accounting Standards.                                      | A .....    | T .....                     | T              |
| FAR 52.232-8 .....  | FAR 32.111(c)(1) .....                | Discounts for Prompt Payment.   | M .....    | T .....                     | T              |
| FAR 52.232-17 ..... | FAR 32.617(a) Modification: 1632.617. | Interest .....  | M .....    | .....                       | T              |
| FAR 52.232-23 ..... | FAR 32.806(a)(1) .....                | Assignment of Claims .....  | A .....    | T .....                     | T              |
| 1652.232-70 .....   | 1632.171 .....                        | Payments—contracts without letter of credit payment arrangements.                 | A .....    | T .....                     | T              |
| 1652.232-71 .....   | 1632.172 .....                        | Payments—contracts with letter of credit payment arrangements.                    | A .....    | T .....                     | T              |
| 1652.232-72 .....   | 1632.772 .....                        | Non-Commingling of FEHBP Funds.   | M .....    | T .....                     |                |
| 1652.232-73 .....   | 1632.806-70 .....                     | Approval for Assignment of Claims.  | M .....    | T .....                     | T              |
| FAR 52.233-1 .....  | FAR 33.214 .....                      | Disputes .....  | M .....    | T .....                     | T              |
| FAR 52.242-1 .....  | FAR 42.802 .....                      | Notice of Intent to Disallow Costs.   | M .....    | T .....                     |                |
| FAR 52.242-13 ..... | FAR 42.903 .....                      | Bankruptcy .....  | M .....    | T .....                     | T              |
| FAR 52.249-2 .....  | FAR 49.502(b)(1)(i) .....             | Termination for Convenience of the Government (Fixed-Price).                      | M .....    | T .....                     | T              |

1653.000

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## FEHBP CLAUSE MATRIX—Continued

| Clause no.          | Text reference         | Title  | Use status | Use with contracts based on |                |
|---------------------|------------------------|--|------------|-----------------------------|----------------|
|                     |                        |  |            | Cost analysis               | Price analysis |
| FAR 52.249–8 .....  | FAR 49.504(a)(1) ..... | Default (Fixed-Price Supply and Service).    | M .....    | T .....                     | T              |
| FAR 52.243–1 .....  | FAR 43.205(a)(1) ..... | Changes—Fixed Price—Alternate I.             | M .....    | T .....                     | T              |
| 1652.244–70 .....   | 1644.270 .....         | Subcontracts .....                           | M .....    | T .....                     | T              |
| FAR 52.244–5 .....  | FAR 44.204(e) .....    | Competition in Subcontracting.               | M .....    | T .....                     | T              |
| FAR 52.245–2 .....  | FAR 45.106(b)(1) ..... | Government Property (Fixed-Price Contracts). | M .....    | T .....                     | T              |
| FAR 52.246–25 ..... | FAR 46.805(a)(4) ..... | Limitation of Liability—Services.            | M .....    | T .....                     |                |
| 1652.246–70 .....   | 1646.301 .....         | FEHBP Inspection .....                       | M .....    | T .....                     | T              |
| FAR 52.247–63 ..... | FAR 47.405 .....       | Preference for U.S.-Flag Air Carriers.       | M .....    | T .....                     | T              |
| 1652.249–70 .....   | 1649.101–70 .....      | Renewal and Withdrawal of Approval.          | M .....    | T .....                     | T              |
| FAR 52.251–1 .....  | FAR 51.107 .....       | Government Supply Sources.                   | A .....    | T .....                     |                |
| FAR 52.252–2 .....  | FAR 52.107(b) .....    | Clauses Incorporated by Reference.           | M .....    | T .....                     | T              |
| FAR 52.252–4 .....  | FAR 52.107(d) .....    | Alterations in Contract .....                | M .....    | T .....                     | T              |
| FAR 52.252–6 .....  | FAR 52.107(f) .....    | Authorized Deviations in Clauses.            | M .....    | T .....                     | T              |

## PART 1653—FORMS

AUTHORITY: 5 U.S.C. 8913; 40 U.S.C. 486(c); 48 CFR 1.301.

**1653.000 FEHBP forms.**

The following forms specified in FAR subparts 53.2 and 53.3 are applicable to FEHBP acquisitions:

| Part 53.2   | Part 53.3   | Form title   |
|-------------|-------------|--|
| 53.201–1    | 53.301–1402 | SF 1402—Certificate of Appointment.                            |
| 53.203      | 53.301–119  | SF 119—Statement of Contingent or Other Fees.                  |
| 53.204–2(a) | 53.301–279  | SF 279 FPDS—Individual Contract Action Report (over \$10,000). |

| Part 53.2   | Part 53.3    | Form title   |
|-------------|--------------|--|
| 53.204–2(b) | 53.301–281   | SF 281 FPDS—Summary of Contract Actions of \$10,000 or less. |
| 53.229      | 53.301–1094  | SF 1094—U.S. Tax Exemption Certificate.                      |
| 53.229      | 53.301–1094A | SF 1094A—Tax Exemption Certificates Accountability Record.   |

[52 FR 16048, May 1, 1987, as amended at 62 FR 47583, Sept. 10, 1997]

EFFECTIVE DATE NOTE: At 62 FR 47578, Sept. 10, 1997, part 1653 was amended by removing all references to 53.215–2(b), 53.301–1412, and SF-1412 in the chart, effective Oct. 10, 1997.